

January 2, 2020

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E286, E112/SA-19-772

Dear Mr. Wolf:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

The Joint Request of North Branch Water and Light Commission of the City of North Branch and East Central Energy to Modify Electric Service Territory Boundaries.

The petition was filed on December 5, 2019 by:

Kathleen M. Brennan  
McGrann Shea Carnival Straughn & Lamb, Chtd.  
800 Nicollet Mall, Suite 2600  
Minneapolis, MN 55402

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve** the requested permanent service territory transfer from East Central Energy to the North Branch Water and Light Commission, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI  
Financial Analyst

DVL/ar  
Attachment

 **COMMERCE  
DEPARTMENT**  
**Before the Minnesota Public Utilities Commission**

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**Comments of the Minnesota Department of Commerce  
Division of Energy Resources**

Docket No. E286, E112/SA-19-772

**I. BACKGROUND**

North Branch Water and Light Commission (the Municipal) is an electric municipal utility organized and existing under the laws of the State of Minnesota. East Central Energy (the Cooperative) is an electric distribution cooperative organized and existing under the laws of the State of Minnesota.

**II. SUMMARY OF PROPOSAL**

On November 15, 2019, the Municipal and Cooperative, collectively the Parties, jointly filed a petition under Minn. Stat. 216B.44, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties' service territory boundaries. Approval of the Parties' request would permanently transfer the Affected Area from the Cooperative to the Municipal.

**III. DEPARTMENT ANALYSIS**

*A. TRANSFER OF THE AFFECTED AREA FROM THE COOPERATIVE TO THE MUNICIPAL*

Exhibit A to the Petition is a map of the Affected Area known as Lucht's Crossing Third Addition, which involves approximately 32.02 acres and no current customers.

The Legal Description of the Affected Area as shown in Exhibit B, is as follows:

Lucht's Crossing, Third Addition, City of North Branch, Chisago County

*B. INTERIM SERVICE*

The Parties agreed that in the event a customer requests service before the Commission has approved the mutually-requested and identified map change, the Municipal may provide interim service to the Affected Area.

*C. CUSTOMER NOTICE*

As stated in the Petition, in the event a customer requests service prior to the Commission approving the mutually requested and identified map change, the Parties will provide notice about the proceeding before the Commission, and will file the notice with the Commission.

*D. COMPENSATION*

The Department notes that the Parties agreed on compensation that both the Cooperative and Municipality concluded was appropriate regarding the permanent transfer of service rights in the Affected Area.

Thus, the Department agrees that the Parties' request to establish the Affected Areas as part of the Municipal's service area is consistent with Minn. Stat. 216B.44.

**IV. RECOMMENDATION**

The Department recommends that the Commission approve the permanent service territory transfer from East Central Energy to the North Branch Water and Light Commission, and that MnGeo update the Commission's maps to reflect the service area designations as shown on the map in the Petition. Mr. James Bunning is the primary MnGeo Contact for the Commission's service area map updates.

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